

*BEST COPY
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10 February 1969

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NOTE TO: [REDACTED]

SUBJECT: Review of Special Panel Suggestion S-1563

Paul:

1. I have had a better chance to study your memorandum which Chief, TSD has examined also. Because I realized we would have to find the actual basis upon which this case was judged, I located the official record of the proceedings of the Special Panel Meeting of 23 August 1955. Such record is contained in the attached memorandum to Chairman, Incentive Awards Board, dated 20 September 1955, copy attached.

2. My observations and comments now, for such consideration as you may wish, are:

a. Paras 1 and 2 of your memorandum appear fine.

b. Beginning with para 3 of your memorandum, I think that some 25X1A modifications are necessary to comply with the facts stated in the Panel's proceedings, in the suggester's proposal, and the TSD/[REDACTED] initial evaluation. Please note the Panel's summary in para 2a of the attached 20 September 1955 memorandum and particularly the last two sentences: "Estimated first year savings were \$1100 plus intangible benefits. TSS commented that the suggestion was one which will result in savings for many years." So, the beginning of para 3 would be challenged should I be asked to produce the basis upon which the initial award was made.

c. I find no evidence that the \$11,830 tangible savings figure mentioned in your para 3 were actually used by the Special Panel in computing the award. In fact the figure stated in the report of the meeting (\$1100) might have been a mistake and meant to be \$11,000 or \$11,830. In any event, you may wish to consider the following type of approach:

"3. The following estimates of first year savings furnished in the suggester's original proposal appear perfectly valid:

-	\$1,116
-	5,284
-	5,430
-	<u>\$11,830</u>

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It is apparent that TSS/[REDACTED] recognized the merits of the suggester's contribution. Para 2 of [REDACTED] evaluation of 25 March 1955 says in part: "The figure of [REDACTED] per year used by submitter represents approximately one-half of the annual production in this phase - possibly it may be somewhat modest". Other statements in the [REDACTED] evaluation relate to the value of this contribution when initially evaluated are: "The dollar value of time delays incidental to finding and procuring useable [REDACTED]"

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suggestion is one which will result in savings for many years. In view of probable increased workloads for this activity, it may be estimated that the average annual savings over a reasonable period will be in excess of the figure indicated."

d. I certainly advocate that the first sentence at the top of page 2 of your draft memorandum be changed because of statements I have made in para 2b and 2c above. You may see fit to start a new para 4 and change the present para 4 to para 5. If so, the new para 4 might read something like this:

"4. Record of proceedings of the Special Panel Meeting on this case simply reveal that the Panel approved an award of \$300 and estimated first year savings were \$1100 plus intangible benefits and TSS commented that the suggestion was one which will result in savings for many years. It would seem that \$11,830 or at least \$11,000 should have been incorporated in the Panel's proceedings as a more realistic first year savings."

e. Now, as I look at your present para 4 which I guess you might wish to change to para 5 if you agree with everything above, I discover factors that may raise questions and jeopardize what you believe is warranted in your case.

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[REDACTED] years. However, should we not be trying to get realistic figures for the 1955 and 1956 period and show a typical one year figure at that time? I thought the whole point to this request for reconsideration was that the first year savings originally judged were not accurate. Is there not some way we can get accurate 1955 production figures? Using the 1964 - 1968 figures, unless I am missing the point, may leave us open for criticism. We have made exceptions on this but only to the extent of taking a two year savings for a large scale savings of \$1,950,000 and dividing it in two so as to get a one year figure. This was because the savings could not be properly ~~XXXXXXXX~~ gauged until the end of the two year period.

f. I think para 5 of your memo should be changed. The two year rule applies to declined suggestions that would be still open for award consideration if adopted during that period. Also, another two year rule applies to the period in which adopted suggestions may be reported to the Committee for award consideration. I wish to suggest you consider the following for a new para 5 or 6:

"5/6. I am cognizant of the Civil Service Commission guidance information pertinent to granting awards which state that the amount granted will be based on but not necessarily limited to the estimated net tangible dollar benefits for the first full year of operation following adoption. Also, the fact that awards of greater or lesser amounts may be paid when special reasons justify such action."

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g. For your last paragraph, I would recommend something along this line:

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3. I put this in the typewriter and just cracked away at it. So, it needs some polish but I know that you are mainly concerned with getting ideas that will get the paper thru the Panel. Please feel free to change anything, disagree, or even toss this away. You may think the Intangible Benefits should have been \$700-\$1000 or that we should justify the award on the known higher savings during the first year of operation.

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Executive Secretary
Suggestion Awards Committee

Atts.

P.S. - I just noted an Awards Scale back in 1955 that Joan found. On the Tangible Scale for Savings from \$10,001 to \$100,000 the share authorized was \$275 for the first \$10,000 in savings and \$5 for each additional \$1000 or fraction thereof. If the Panel used the \$11,000 figure (not \$1100 as noted in our record of the meeting) this would mean \$280 and the balance of the \$300 was prob bly for intangible benefits.

On the Intangible scale the range of Minor-Limited was \$10 - \$25; Extraordinary-Limited was \$300 - \$450 and Extraordinary-Broad was \$450-\$750. (However, the Intangible Scale amount mentioned in para g, above, is still OK because I found it in a CSC book that had a 1955 date.)

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